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ABSTRACT

The conference at which these two papers were presented was sponsored by the Employer Supported Child Care Network, the Executive Office of Economic Affairs, and the Massachusetts Bay Community College. Opening remarks were provided by President Roger Van Winkle of Massachusetts Bay Community College and Evelyn Murphy, Secretary of Economic Affairs, offered a general perspective on the issues. The second presentation, provided by Anthony Sapienza of the Greico Brothers, manufacturers of Southwick Clothing in Lawrence, Massachusetts, relates the step-by-step implementation of their employer-supported child care center. Included in this presentation are questions from the audience as well as answers from the speaker. (HOD)

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TAKING STEPS:

MATCHING CHILD CARE OPTIONS WITH CORPORATE NEEDS

Sponsors: Employer-Supported Child Care Network
Executive Office of Economic Affairs
Massachusetts Bay Community College

Massachusetts Bay Community College
Wellesley Hills, Massachusetts
October 24, 1985

INTRODUCTION

The selected presentations in this booklet were delivered at the October 24th conference: "Taking Steps: Matching Child Care Options with Corporate Needs."

We felt fortunate to have so many talented people share their knowledge and experience with corporate child care, both as speakers and as workshop presentors. However, it proved to be impractical to record the workshop presentations for publication here as they ranged from lecture, to general discussion, to question and answer periods.

Nonetheless, we hope that you find this publication valuable. The opening remarks by President Roger Van Winkle and Secretary of Economic Affairs Evelyn Murphy provide a general perspective on the issues and the morning keynote speech by Anthony Sapienza provides a step-by-step guide to the implementation of a successful employer-supported child care center.

The material presented by Dana Friedman, Senior Research Fellow, Work and Family Information Center, as the luncheon speaker, is to be published by the Conference Board this Spring. The working title is: "Decision Making for Family Supportive Initiatives."

The conference has had continuing benefits for many people. Two other conferences have been modeled on "Taking Steps" and implemented in other parts of the State and we are in the beginning stages of planning for a follow-up program to be held in the Fall, 1986. We hope to see many of you involved again.

Sincerely,

Mary L. O'Neil

Mary L. O'Neil
Director, Community Services
Massachusetts Bay Community College

April, 1986

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CONFERENCE PRESENTERS

Sheila Balboni
Consultant, Child Care Circuit

Juliet Brudney
Consultant and Boston Globe Columnist, "Living With Work"

Robert Crabtree
Attorney, Kotin, Crabtree and Strong

Patricia Cronin
Special Assistant to the Secretary, Executive Office of Economic Affairs

Karol Downey
Personnel Director, Ann & Hope

Dana Friedman
Senior Research Fellow, Work and Family Information Center, The Conference Board

Martha Herbert Izzi
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Michael Jones
Senior Vice President, Human Resources, Howard Johnson Company

Peggy Kociubes
Principal, Child Care Brokers

Stan Kuziel
Executive Director, Prospect Hill Parents' and Children's Center

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Executive Director, Communities United

Ethel McConaghy
Senior Associate, Work/Family Directions

Linda Mills
Coordinator of Corporate Child Care Services, Child Care Resource Center

Fran Sussner Rodgers
Principal, Rodgers and Associates, Director, Work/Family Directions

Marie Sweeney
Independent Consultant, Resource and Referral

Heidi Urich
Coordinator, Governor's Day Care Partnership Initiative

Susan Velleman
Principal, Mercer-Meidinger Inc.

Ann Vincola
President, Corporate Child Care Consultants

CONFERENCE SCHEDULE

8:15-9:00 **Registration and Coffee**

9:00-9:30 **Welcome:** Roger A. Van Winkle, President, Massachusetts Bay Community College
Evelyn Murphy, Secretary, Executive Office of Economic Affairs

9:30-10:15 **Keynote Speaker:**
Anthony R. Sapienza
Vice President of Manufacturing
Grieco Bros., Inc.
Topic:
DEVELOPING A CHILD CARE PROGRAM

10:30-11:45 **Morning Workshops**

12:00-12:45 **Lunch**

12:45-1:30 **Luncheon Speaker:**
Dana Friedman, Senior Research Fellow, Work and Family Information Center, The Conference Board
Topic:
CORPORATE CHILD CARE IN AMERICA

1:30-2:20 **Exhibits, Networking, Personal Consulting**

2:30-3:45 **Afternoon Workshops**

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"TAKING STEPS: MATCHING CHILD CARE OPTIONS
WITH CORPORATE NEEDS"
MASSACHUSETTS BAY COMMUNITY COLLEGE
OCTOBER 24, 1985

PRESIDENT VAN WINKLE: I am president of Massachusetts Bay Community College. It is my pleasure to welcome all of you today to this very important conference. Child care concerns are increasingly important issues for American business and industry. The number of families with both parents in the labor force is growing. They, in addition to single-parent families, are concerned with child care provisions. We know that an employee who is assured that his or her child is being well cared for during work hours is a happier, more easy-going employee and, in particular, a more productive member of the corporate team.

Evelyn Murphy, Secretary of Economic Affairs of the Commonwealth of Massachusetts, is highly qualified to discuss the commitment of the Dukakis Administration to cooperative ventures, business, education and government. Her efforts to work with these groups to foster technological innovation and growth within a positive environment are nationally recognized. It is my great pleasure this morning to introduce you to Secretary Murphy.

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WELCOME:

SECRETARY EVELYN F. MURPHY

EXECUTIVE OFFICE OF ECONOMIC AFFAIRS, 1983-1985

MASSACHUSETTS BAY COMMUNITY COLLEGE ADDRESS

Good morning, and thank you for joining us. The corporate-sponsored child care movement is one of the most important transformations occuring in this state. It becomes even more dramatic when set in historical context.

Massachusetts is in the midst of a once-in-a-lifetime phenomenon. Ten thousand new jobs in this state would be reported on the back page of the newspapers' economic section; forty thousand new jobs would be front page news. Last year we had 160,000 new jobs. The last time we saw an explosion like that was 1942.

Due to our economy's diversity and strength, from high technology to trade, manufacturing and services, we have witnessed its enormous capacity to grow. The key focus right now is to understand what this economic explosion is all about, keep it moving, and to look ahead. At the same time, the Governor and I would like to divide this good fortune so that absolutely everyone in this state enjoys a part of it and benefits from it.

What we have is a unique confluence of both economic and social opportunity. We have had the lowest unemployment rate of any state in the nation for the last six or seven months. Every now and then some other state would make a good showing, but overall, through most of this year, this state has been out-performing all those states we used to think were the glamor states a few years ago like North Carolina, Colorado and other far western and southern states. Right now the success story is here in Massachusetts.

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One of the most profound ways in which to spread this economic opportunity to everybody involves child care. Working women are changing the demographics of the labor force dramatically. The limiting force is finding adequate, affordable and high quality child care. We have the ability to transform this state's economy into one in which child care is not a limiting factor.

Throughout the past year, the Governor has tried to expand the provision of child care through the corporate sector. Until quite recently, I would be addressing a group of about one-third or one-quarter of your size. Throughout the last year we have seen the growing interest in corporate child care. When the Governor first started talking about the many dimensions day care partnerships could take, we were talking about four companies that might provide child care within a one year time span. At the time, I thought that was a rather grand undertaking because the strength and promise of the economic performance of 1985 had yet to be revealed. That promise turned into ten more companies providing child care.

We are now working with eighty companies. Every time I talk to another company about offering some child care option, I am impressed by the responsiveness and interest they have in considering, or reconsidering, child care. I am also impressed by the diversity and creativity of the child care approaches employers are taking. Tony Sapienza will be talking about this later.

Prospect Hill is a wonderful example of what can be done in an office park to provide child care now. Tom Flatley is another example with his child care center in Braintree.

We are all faced with a tremendous opportunity and challenge. The economic changes occuring may generate a social transformation of staggering worth and proportion. However, if we miss it, we'll miss it for good.

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Once we lose the economic pressure for child care expansion, we'll lose a major force because until recently child care provisions were in the human services sector with family child care and community networks. The sheer driving force of companies looking for ways to expand the labor force didn't exist with nearly the strength that force has now. If we let this opportunity pass, we may never again find the same set of factors to propel us forward.

We are at a point now where if we continue to build the momentum of interest in corporate child care company by company, it could become self-perpetuating.

The real question and the challenge I would ask you to address today is how to keep building this little mass of momentum so that in 1995 we can look back to 1985 and say it was a year of great economic and social performance, during which we started to build the critical mass that removed lack of child care as a barrier to employment for women.

So it is with a great sense of respect and pleasure that I thank you for coming today, for your interest, and for the sponsorship and hard work that made today possible.

The stakes here are enormous and the potential here is just as enormous and very, very exciting for both the Commonwealth as a whole and for each individual company. In addition to having a relatively fast return on the investment, child care is genuinely exciting, first of all, because you have a lot of kids around making a lot of noise. It has a liveliness and vitality to it which is great fun and is a contribution everyone can feel.

So let's use this time to its fullest potential because it's probably one of the biggest opportunities that's ever been dropped in our laps.

Thank you very much.

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MS. MARY O'NEIL: Good morning. My name is Mary O'Neil and I'm the Director of Community Services here at Mass Bay Community College and one of the members of the planning committee for this conference. We had our beginning lineup here slightly out of sequence because the Secretary had a time deadline to leave to get to an engagement out in Springfield, so I'd like to take a few minutes once again to welcome you all to the conference. I think that Secretary Murphy's comments were very appropriate. I see this as an exciting opportunity and I think that what we've put together today ought to be very useful to all of you in terms of whatever goals you may be considering regarding child care and employment.

I'd like to mention again, although I think most of you are probably aware, that planning for this conference has been a collaborative effort among the Executive Office of Economic Affairs, the Employer-Supported Child Care Network, and Massachusetts Bay Community College, and I think it's in that spirit also that successful child care will be complemented increasingly in the economic sector of our Commonwealth.

I'd like to introduce our keynote speaker, Tony Sapienza, who is Vice President of Marketing for Grieco Brothers, Incorporated, which is the manufacturer of Southwick Clothing. Mr. Sapienza has been involved in business for many years. He also has been extremely committed and concerned about community priorities in terms of his endeavors.

Grieco Brothers is a company that has 750 employees, and we're really very grateful to have him here today. He really, in a sense, is one of the pioneers in this field, and he has agreed to come and share with us his experience in terms of the hows, whys, whens, stumbling blocks and successes of implementing child care in his own company. So I would like to welcome Tony and let him know that we do plan some time for questions and discussions after.

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DEVELOPING A CHILD CARE PROGRAM

ANTHONY SAPIENZA

KEYNOTE ADDRESS

Good morning. I hope I can live up to the advanced billing. Grieco Brothers is the manufacturer of Southwick Clothing. We employ about 750 employees in Lawrence, Massachusetts, and we've been there for about 55 years. Some of the reasons why we've chosen to get involved in day care over the last year and a half have to do with the very nature of the company and the nature of the product that we manufacture.

We make high-quality, tailored men's and sometimes women's garments and have worked under what is called a piecework environment where employees are paid by the piece. It is not the most pleasant environment because everybody is there to make a buck.

Grieco Brothers has been a family-owned business and because it started basically during the Depression, the Grieco family invested a lot of personal time in the workforce and created a feeling, a sense of family, a sense of commitment on the part of the workers there that we in 1985 knew we had to continue in some manner or fashion.

Back in 1929 or in the '30s and '40s as the company was growing, the workforce was primarily first- and second-generation Italians who immigrated--whose parents immigrated in the teens. In the 1980s, our workforce is primarily made of minorities with the vestige of the old Italian workforce making up about half of it. A whole new group of people has immigrated to Lawrence which, I think you may know, is the immigration city of Massachusetts. It

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affectionately is called the Immigrant City because at one time, there were as many as 120 different ethnic groups living and maintaining associations or organizations in the city itself.

Day care seemed to offer to us a way to continue the sense of commitment and family involvement that the Grieco family pioneered in the early years of the company. We could never be as close to the employees as the Grieco family was when it was one large home and a primarily Italian and Sicilian group of workers; but as we became increasingly minority and Spanish-speaking, we knew we had to do something, and day care just appeared to be something that would meet a very, very important need for the company because we were competing in a very, very difficult labor market. The economic success that the Secretary referred to has been wonderful, but it has put a tremendous burden on some manufacturers in our position, who cannot necessarily attract the kind of labor force that we want to.

So we saw the day care center or the possibility of day care as something that would attract a different and a more committed labor force. We first started 18 months ago, and I'm happy to say that I think if all goes well with our licensing, sometime in the first or second week of December, we will have an on-site day care center at Grieco Brothers in Lawrence.

It's been 18 months. It's been a very difficult process, and it has certainly opened my eyes to some things that I did not think were possible. I'll tell you a little about what happened because the model, if you call it a model--I don't think ever is going to be duplicated quite frankly, although it is a model in some respects--is an interesting one.

We had a few dollars in the bank. We had about 35 new employees in training. We were going full blast last summer and needed help. We were competing with

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AT&T in North Andover. They were hiring at the rate of about 20 workers a day, and everybody was running out there to meet some of their needs.

We couldn't attract any help, and we were struggling with the 30 or 40 trainees we did have. We were losing people and we said, "Wait a minute. What are we going to do?" We couldn't offer to pay as much, we couldn't offer as clean an environment as high tech or as the computer field. So what could we do?

Day care was the first thing that came to mind, and we started talking about it. First of all, we had to get some expertise, and we were very fortunate in finding locally two very capable consultants who came in and started to tell us what was going on in the city of Lawrence in day care, and the fact that there was a 2 1/2-year waiting list for the existing facilities.

These two consultants are both here today, and I just want to call your attention to Sheila Balboni and Marie Sweeney. Both will be giving a talk later this morning. They have done a great job for us, and I can't emphasize how important finding the right consultant is--somebody who knows what's going on in your area--is going to be any business that decides it wants to get involved.

After sitting down with Sheila and Marie, we knew we had to do a needs assessment. We didn't even know what a needs assessment was, but we let them do it anyway. We did it in English, in Italian and in Spanish. I don't think the two of them every had to go through that routine. We do it everyday because that's the nature of our business.

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We had a serious day care problem, certainly more so with our new employees, in the Hispanic population. We decided that if there were an on-site center, we might have as many as 50 children in a center that we could run on an employee basis. We thought that was extraordinary.

So we proceeded. We started looking around and trying to find out about opening a day care center. We were very naive. We thought that if you wanted to open a day care center, all you have to do is tack a sign on the wall and invite the public in, and you had a day care center, but, clearly, you can't do that in this day and age.

We identified two problems: start-up costs, and then, of course, operating costs. The Grieco family was willing to make commitments in both areas, both the start-up, including renovations to our building, and to provide some kind of operating subsidies on an on-going basis once the center was established for the Grieco Brothers' employees.

So we had a base from which to operate, but we were far short of what we needed financially. So we started looking around, and we thought, well, the city of Lawrence has all kinds of money. Let's go talk to them.

As you may know, the city of Lawrence is one of those parts of the Commonwealth that is on the fringe of the development that the Secretary referred to. It's there, but it's not completely there. There are certainly pockets in the city of Lawrence that have not felt the benefits of all this business enterprise from the last year, and their needs with Proposition 2 1/2 and whatnot were tight.

We even went after a C.D.B.G., a Community Development Block Grant money that the city had. We found out that we really weren't much of a priority. Day

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care wasn't much of a priority for money; and so we went through the process, kind of banked on this process for coming through with the balance of the money, and found that it wasn't there.

We were very disappointed in early June when we couldn't get this money out of that process. At that point, we made some very important decisions. The first one was that we couldn't do it alone. We needed some help. We started to look at the foundations, and we put together a series of packages for various foundations, both in the Lawrence area and in the greater Boston area.

Secondly, we decided that we had to get some other businesses involved, and so we came up with the idea of doing a consortium, talking to the other businesses, many of whom had already expressed some interest in being involved. Honeywell is a neighbor. New Balance Shoes is a neighbor. Polo Clothing is a neighbor, as are Wang, Raytheon and many others.

We went about talking with the Chamber of Commerce and getting together with them, a group that potentially would get involved. At the same time, we identified some money at the state level, which was a big breakthrough for us as well because we know we still had the problem of subsidy money, and we didn't have enough based on the labor force that we have.

We pay up to $7.50 an hour, and we had many single parents and even two workers in the family working for us who would qualify for some of the DSS subsidies that might be available if we could get some money.

So we put an application in on very, very short notice late in the spring knowing that the timeframe was September 1/October 1 money, but we had everything going for us this particular year. We had the commitment of

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Southwick Clothing, and we had to do it right away. So kind of on the spur, if you will, we just said, "Let's do it. Let's go for some DSS money."

Because we had such a large minority population, we were able to apply for some money that was earmarked for minority business enterprises. At that point, we said, "Okay, we can't follow the other model that we've been looking at which was a model company-owned center. We have to be a minority." It involved our workers, the parents who are primarily minorities in the system and in the center.

We were able to access some money or get a commitment for some money from DSS for what is called a minority business enterprise which means that Grieco Brothers doesn't control this day care center. What it means is that in spite of all the money that we are putting in this, there is a Board of Directors that is majority-minority, if you will, and they actually control the center. Grieco Brothers made the decision to lease the space to the center.

We have been using Grieco Brothers' attorneys and accountants hoping to get the initial things started, but we have relinquished some significant control.

The next important piece that came to play was the Amalgamated Clothing Textile Workers' Union who--you perhaps do not know--have been on the vanguard, really, of corporate day care. The Union in 1967 opened six employer-cooperative day care centers in the South, in Pennsylvania and in Delaware. No other union in the country has ever done that. So there was a residue of good feeling towards day care centers within the Union.

We went to the Union and said, "What can you do for us?" The Union said that things had changed, and they couldn't do anything for us. Fortunately, we

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were in the process of negotiating a labor contract, and when you have a club, you have to use it. So we used the labor contract as a club. We sat down, and we asked the Union, in return for the wage increases that we had granted, to deduct from each employee in both our factory and the Polo factory--a total of about 1,000 workers. Everybody would give 1¢ per hour for an entire year out of the negotiated raise towards the start up of the day care center.

When that happened, we were on the map. Suddenly, we had some private foundations that were expressing some interest. We had the Commonwealth involved. We had some private corporate money, and we had the labor union, and we had everyone saying, "Wow, what a great idea." We were pretty pleased with ourselves for having thought it out. We didn't, of course, it just happened, but we were very, very fortunate.

So since the signing of our labor agreement in the first week of August, we have been very comfortable. We have the starting money. We have the good commitment for the operating subsidies, and we are in the process now of going through the licensing and the actual set up of the day care center.

Interestingly, we thought once we had the money, it would be very, very easy. I think it's even more difficult right now. It is certainly more frustrating right now. Here we know we have a site. We have had the sandblasters in, and we've cleaned out the place. Sheila, Marie, our personnel manager and I have been running around working through all the details that are the most frustrating part of this entire process.

To give you an example of what goes on, right now, we have lead paint that we have to worry about. We have asbestos that we have to worry about. We have fire alarms that we have to worry about. We have noise restrictions that we have to worry about. We don't have the 501 C3 status yet because it takes the federal government anywhere from six months to a year to process that kind of

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paper. We don't actually have our minority business enterprise status yet because we're not really a minority business so we didn't get any money. So that's in limbo.

We are spending all our time running around pulling together these loose ends. I don't have to tell you that there is a serious insurance problem right now, not only in day care, but in all kinds of property and liability insurance, and that is a further problem.

Our company was very, very concerned. Our legal counsel was very concerned that we would incur some substantial liability arising from being involved in child care. We have, I think, allayed all their fears, even though we still are concerned.

So here I am telling you we're going to open in the beginning of December, and we don't have a license. We can't find any staff, which is another problem.

We don't have a minority business designation. I mean, we don't have anything yet, but we hope everything is going to fall together in the next three weeks because we worked hard on it, but I don't want anybody to be misled.

Once you decide to go on-site or decide to open a center, you open up a virtual Pandora's box of difficulties in all areas. Even the contractor and the sandblasting have been problems if you want to know the truth of the situation.

Let me suggest a couple of things based on my experience here. I have some rules that I would like you to think about in the workshops that you have later on this morning. You have to be cognizant of many things when you're trying to make it through the day care process at the corporate level.

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The first rule is that you have to plug into your local day care network and plug in early and know what is going on. Even if you are just doing informal resource and referrals out of your personnel department, as an example, that's a start; and that is a good place to start.

You will know who the people are. You will know how many centers there are in the community, in the area. You will find out how difficult a time employees may be or may not be having in finding good child care.

Rule number two is to find a good consultant because you just can't do it at the corporate level unless you are willing to commit your entire human services department or your entire personnel department or somebody like that to this project full time.

We were not large enough to do that. We chose to go with the consultants. Even if you can commit a staff in personnel or human services, it's not a very good way to go. You have to use some people who know what is going on; and, as I mentioned, we have Sheila and Marie. I'm sure there are others that are just as good. I think you need to consider needs kind of the same way in any area of your business in terms of a good fit. Is the consultant the kind that is going to work with you in the way you are accustomed to working?

Number three, I would suggest to everybody that they do a very professional and detailed needs assessment. It is the basis for all the decisions you are going to make about child care in the ensuing months. It is going to tell you how many people; what ages you will be able to project; what your needs are going to be three, four, and five years down the road if you find out the age ranges of the employees and their children; and you need that information. You can't make good decisions if you don't have a good needs assessment.

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Number four, once you have that needs assessment, you have to develop a very clear picture of what you want to do. You can't just say, "Oh, yes, everybody is getting into on-site day care centers so that is what we want to do. You have to decide what is going to work well for your company. As I expressed earlier, for Grieco Brothers, on-site was important because it continued a tradition of family involvement, of family kinds of attitudes that we think are very important in our piecework environment.

With 750 people, we only have in a supervisory capacity something like 50 employees; and you have to remember that when the seamstress is working, and she is stitching a garment, she has to be responsible to put the quality in the garment.

We felt very strongly that in that environment, number one, certainly the worker couldn't be worried about his child, and that he had to have a positive feeling about the company. We couldn't ever have enough supervisors to look at every operation of every single operator in the corporation, and we thought that day care was going to create an impression and, I think, a valuable one.

We weren't doing it fraudulently, and we really care about the people that work for us. Once you get that plan in mind, be willing to change it, be willing to say that what the plan is now in 1985 and what it is going to be in 1995 are going to be different. Remember that things are going to change.

Rule number five is not to be a victim of business conditions, and this is something we ran into time and time again as we tried to get involved with other companies. The economy, in general, is the second most dangerous stumbling block in trying to get involved in corporate day care because when

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things are booming, everybody is looking to help, everybody is very willing to get involved; but when times are bad, it is very easy to cut out the day care situation very quickly.

We had seen it in three or four companies which were very eager in the Lawrence area to get involved; but when push came to shove, this whole thing just kind of turned around in the last six months. Right away they backed out as quickly as they were willing to get in it in the beginning.

The same point, if you are involved with a large corporation, don't let it be just a local issue. Remember that your corporation is going to make its decision on some kind of a national level. It's not going to do one thing typically in Lawrence that it's not willing to do in Greenville, South Carolina or wherever else they may be located. That's another stumbling block in a large company of which you have to be very careful.

Rule number six is don't let your personnel or human services department be perceived as the only voice pushing for corporate child care. Get yourself an ally in manufacturing or wherever the corporate muscle is in your particular organization. It is very important in a larger corporation, even in a smaller one.

In our particular case, I will correct Mary, I am director of manufacturing, not marketing; and manufacturing is what makes Southwick Clothing go. We're a manufacturing-oriented company; and because manufacturers were behind the day care proposals, we were successful.

If, in our particular case, marketing or accounting or one of the other departments had been involved, nothing would have happened because those

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areas, especially personnel, were just not the place to have the focus of the power for such a center.

Rule number seven is do not underestimate the number of people both inside your company and outside who think day care is a great idea as long as you are the person doing it. It is very easy to get yourself out on the end of a branch and have it sawed off by those people who seemed to indicate that they were most interested in getting it started and getting it operating.

Rule number eight is a tough rule. This one is you can't underestimate the ability of the bureaucracy in all branches of government to make you life very, very difficult.

Nevertheless, government is your single most important benefactor as you enter this whole process. It is a really crazy relationship.

On the one hand, you have tremendous support from the government at the state, the local and the federal levels. On the other hand, when you get down to the nitty-gritty, when you get down to the rules and the regulations and the processing and the pushing of the paper, it's a nightmare. Those of us who are in the what I call unregulated industries because we don't deal with government agencies on a day-to-day kind of basis except for, of course, the IRS, just don't understand why it takes so long to get things through government.

Again, you just can't underestimate what it is going to take to do that. Nonetheless, when people like Governor Dukakis or Secretary Murphy are clearly committed--you know you have some clout in working with the government. My advice is to use it. Get yourself involved with the people on the state level

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who are actively supporting corporate child care. They will help. They will push things through, and they are willing to do it because they have made a commitment to do these kinds of things.

Rule number nine is that remember everything is going to take longer than you originally planned, and that says it all.

Rule number ten, everything is going to cost more than what you originally planned. Be careful of both types--timetables and dollars and cents. I don't have to tell you that the best chart for following out of these kinds of projects has never, in my experience, been adhered to because the best budget in the world gets knocked around by things like asbestos on the wall and lead paint and all kinds of details like that.

Let me say finally that to get this job done, you must have a certain vision, and you have to have a certain stubbornness; and offering this kind of care is a commitment that, once you make it, you have to go forward. You can't back out. There is too much credibility to be lost with your employees and with the agencies with which you have to work. I agree with the Secretary, that this has been a great year for this kind of interest.

We do need to take this ball and run with it, and if we do, we can be very successful. May I further suggest that, remember, on-site child care is not the panacea for all of those problems. It's one small part. Be very careful that you don't get yourself wrapped up in the glamor of going on-site and do something that your really don't have the resources to maintain or really have the need to do. We have been caught in that kind of discussion as our needs changed over the last year. I caution you all on that particular area.

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I will finally say that from a personal point of view, providing child care services is as necessary, is a patriotic, is as meaningful a thing as we have done in our company in that last 55 years. We're very proud of the fact that we are involved in it. We think that it is as significant a contribution that we can make to our employees' health and welfare and to the community at large as we have made; and we are certainly willing to have any of you talk with us, visit us once we are operating, if we get operating, and help you in any way we possibly can.

If you would like to ask some questions, I'm happy to talk about some of the things that have happened to us in a little more detail if that's agreeable to everyone. Any questions?

THE FLOOR: Are the two consultants going to manage your day care center after it is opened?

THE SPEAKER: No, they are not. They are going to operate on-going assistance during the first year and are probably not going to have to manage it. No, we thought that that was excessive. We feel that we can hire staff and can tie into the local network effectively. We chose not to farm out the management, if you will, of the center. That was a decision we made early on after the picture kind of came together.

THE FLOOR: Do you have a comment on the cost of your budget?

THE SPEAKER: Sure, we are projecting a per weekly charge of $75 which we think is quite reasonable and something we had to maintain because of the generally lower income level that we provide. As I say, we average about $7.50 an hour, but we have plenty of $6.00 and $6.50 an hour people who we

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want to really be able to attract to the center. The current start-up cost is about $150,000. As I mentioned, we had some unique situations. We had problems with paint, asbestos, fire alarms and other things.

Basically, for start-up, we are getting the equipment for about $25,000. That's probably a low budget. We probably are going to have to spend some more for men and equipment as we proceed, and the balance is basically in business renovations and consulting costs, legal fees, accountants and that kind of stuff. The big number is the construction cost and the compliance with the various buildings and fire regulations.

Where that money came from--if you are curious to put it in some kind of perspective--Grieco Brothers is probably responsible for 50% of that money. The private foundations are so far in for about $25,000. The labor union is in for about $20,000. Our two consortium companies, Polo Clothing, our next-door neighbor, and the Lawrence General Hospital, on a very small scale, are in or another $12,000; and oh, I forgot the most important piece of the puzzle. I am glad you brought it up.

After all was said and done, we were able to go back to the city of Lawrence. We had the labor union, and after we had this business consortium--believe it or not--we're going to get $10,000 out of the Community Development Block Grant moneys that were not expended this year. So I can say that that's the last $10,000 in the puzzle.

We have the city. We have the state. We have our own private money. We even took a collection in our office to have our office staff give the same, basically $20 a year, that the union workers gave because we didn't have a club; and we had a tremendous response from them as well in terms of contributing some dollars.

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The on-going operating budget will be in the $250,000 range. It's going to be a big center. We have space for as many as a hundred children, and we did it on purpose. We said, "We only need 30 or 40 places for Southwick, but the city of Lawrence needs 250 or 350 spaces tomorrow; and if we were going to do anything to help the city, we are going to operate a large day care center."

THE FLOOR: What age level will the center take?

THE SPEAKER: We are going to have both an infant-toddler program and an after-school program. We will go from six months to six years, I guess.

THE FLOOR: What are the hours the facility will be available?

THE SPEAKER: The hours will be from 7 o'clock in the morning till 6 o'clock in the evening, particularly because we have Lawrence General Hospital involved; and we want to be able to help them with their nursing population.

THE FLOOR: Is there going to be any type of subsidy for the fees?

THE SPEAKER: The first one is the DSS grant that we have at this type and are estimating to be about $125,000.

The final numbers aren't together yet, and, of course, that goes through the income guidelines managed by DSS. It is on a first-come first-served, day-to-day basis. Quite frankly, something like 60% of our employees would qualify for that kind of subsidy if there were enough money for them. There certainly won't be if there is only $125,000.

The second subsidy will be the subsidy that Grieco Brothers is providing for its workers which is something that each company has to do in its own in

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terms of labor negotiations and how they provide benefits for their administrative and support staff.

THE FLOOR: Is the day care center going to a separate department?

THE SPEAKER: The day care center is a private, not-for-profit corporation. We are only leasing the space to the day care center. We did that on the advice of counsel basically because of insurance problems and because we really felt that over the five-year plan that we developed that our needs were going to change substantially.

We could identify that we have a very, very good track record with employees. We have long-term employees, and the group that we hired in the last 2 1/2 years has been very good, primarily young, primarily having children right now. Five years from now, they are going to be out of the day care situation; and, sure, we will have turnover five years from now, but we estimate our needs will be substantially lighter.

Merrimack River Community Child Center is what it will be called, and it is a community center because we really anticipate that five years from now, there will be more community people from outside of our factory in the center than there are now.

THE FLOOR: Initially, since there are so many agencies that are involved in finding the day care center, how did you decide who is going to get that slot or that last infant slot when everything is shared?

THE SPEAKER: We did it very simply. We said that the cost per child per slot--we said there are going to be, what is it, 50 slots to start in the

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center for preschool and for toddler care; and there will be probably about 25 or 30 after-school slots.

We took the 50 and decided everybody putting up $3,000 gets one slot. So at this point, the Union basically owns seven slots. Grieco Brothers owns--I don't remember the number exactly--15 or 18 slots. Polo owns 3 1/2 slots, et cetera, et cetera, right down the line. The city actually owns three. Those are going to be community slots. It was just an easy way.

We also offered board membership to those companies that became involved, and, of course, the Union is a board member at this time.

THE FLOOR: Did you examine providing benefits through local day care centers before you decided to establish your own center?

THE SPEAKER: We did examine it, and we examined local options, and we looked very carefully at what was available in the city of Lawrence. There is a list of about two years waiting time to get in the approved centers. There just was no way, the city needed another center badly.

We hadn't been spending any money in the city as a company throughout the last three or four or five years. This seemed to be a good way to provide the kind of community service that we really needed to provide.

There was no way that we could fill slots. We looked at just providing resources and referrals. Again, there was just not enough service out there in that particular community.

THE FLOOR: Do you charge the same for all children, or do infants and toddlers cost more?

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THE SPEAKER: I don't have the final numbers. I think I used $75, and we are not sure yet what we are going to do for various age groups.

THE FLOOR: What has been the response of your older employees?

THE SPEAKER: Well, that is an interesting question. I have to say that the labor agreement was a very popular labor agreement because we offered a very competitive wage increase and an increase in benefits. The only unpopular part, to a certain extent, was the day care deduction primarily by the older employees who felt that they put in their 20 and 30 years in Grieco Brothers and had not had that kind of a benefit; and why should they get involved.

That's a difficult problem when trying to deal with the labor union. But, again, I say that the Union had a track record in this regard. Edward Clarke was the regional vice president. Ed Clarke is a very young guy who was pretty forward thinking, who knows the problems his union faces; and the bargaining committee that I worked with was made up of six older, long-term,completely Italian employees. And it wouldn't have formed, quite frankly, if we hadn't been giving them a raise at the same time. I have to be realistic about that.

The difficulty was not as great as I had perceived because, again, we are this family kind of company that has a track record for this kind of thing whether it's a Christmas party or whether it's the availability of managers or even to worry about family problems and deal with them.

Remember, 75% of our workforce are women; and we have had to deal with these kinds of child care issues for years and years. We are very liberal about our attendance procedures because we have to be. We just know that people aren't going to get there in time all the time. We let people go home

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early when they have to. We are trying to be as rigorous about it as we can. We provide an attendance bonus for good attendance so there is an incentive for people to come to work; but I have attendance absentee rates that would appall any other manager.

I have 30 employees that do nothing but fill in for absent employees in my manufacturing departments. They are the highest-paid workers in the company because they can do any job on the floor. So we have a serious attendance problem.

Of course, the reason we want to get involved with day care is because we felt it will impact on the attendance problem.

THE FLOOR: Will your community slots pay more for the day care than your subsidized slots?

THE SPEAKER: The question is whether the community slots will pay more than the subsidized slots; and the answer is no, they will not.

THE FLOOR: Will any of your start-up costs be tax deductible?

THE SPEAKER: The accountants tell me, if they are correct, because we are a not-for-profit corporation--if the federal government ever decides to bestow that blessing upon us--all the contributions that are being made are charitable and will be deducted. Other expenses are deductible under the present provisions of the tax code for providing corporate child care.

THE FLOOR: Is that the case for the renovations that you are now conducting?

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THE SPEAKER: Not all of them, only those that specifically are necessitated by the regulations for the child care center.

THE FLOOR: Are you going to have any kind of payroll deduction for the fees, or is that going to be completely separate from the day care center?

THE SPEAKER: I haven't decided yet. Quite frankly, we are not yet sure. We have talked about it. We probably will not do it that way. We want to maintain some real separation primarily because of the insurance problem. Even though we are a not-for-profit corporation, because we have been so heavily involved financially, because it's on-site, counsel feels that any separations that we can make would protect us in the event that there was some liability or property problems down the road.

THE FLOOR: Of the $250,000 operating cost, what percentage of that would be for labor and how many people do you think will be staffing the center?

THE SPEAKER: Let me think. I would say that 75% of the dollars are labor dollars. I don't remember the regulations. Again, that is why you need a good consultant.

THE FLOOR: How many teachers are anticipated?

THE SPEAKER: What is the number, Marie?

MS. SWEENEY: Three in the toddlers, so three for nine toddlers. It will be OFC, following OFC regulations. Hopefully nine, and even more than that; but we will have like three in the toddlers group with nine children.

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THE FLOOR: On what basis are you setting your salaries?

THE SPEAKER: We have tried to be as competitive as we possibly can. As I mentioned we are looking for staff. We have advertised in the Globe. We have posted notices in most of the resource and referral agencies. We have not been successful. We found a lot of staff that is overqualified, and because they are overqualified, really don't meet OFC guidelines.

We have people with special needs backgrounds that don't qualify for the OFC for normal child care, which is a real Catch-22 kind of a situation. I would say that the salaries are competitive.

MS. SWEENEY: Actually, they are going to be higher than what most people expect in day care. They are not going to be corporate standards, but they will be higher than most day care salary levels will be.

THE FLOOR: How many members is the board going to have and what will be their make up?

THE SPEAKER: Right now, the board has 17 members. There are four working parents in the background from the two factories, Polo and Grieco Brothers; and there is a member from the Union, and there is a member from the Polo company, and I am a member of the board. The overall plan is for a board of about 18 members to include representation from business, community, and the education fields, city government and some other interested and concerned citizens; but we have to maintain majority of minorities on the board to qualify for a MBE and we really want that to happen.

We hope that a sense of power to commit will be felt by the board because that minority community that is now in Grieco Brothers throughout the last

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half a dozen years is a disenfranchised group. We are not about to get ourselves in a position where we are dictating a program to that community. We want that community involved and they need to be. They are the future of the city of Lawrence, the same way the Italians were in the '20s, and the Italian community has been successful. There is no reason why primarily Hispanic groups can't be just as successful in the '80s.

THE FLOOR: You are going to charge less than the normal rate, you are going to pay higher than the normal rate and you are going to staff more than you are expected to. Is Grieco Brothers picking up all that?

THE SPEAKER: It is picking up quite a bit of it, yes. We have some money in the budget that we said that we need to put into this community. We are committed to that community. We have been there 55 years, and we have to do it. We actually shouldn't be opening the day care center this year. I mentioned business conditions.

A year ago, there was money everywhere. We could have funded two day care centers; and in 12 short months, retail business is really pretty terrible. Our orders are off, but we are committed. We have no choice. We have to go forward, and we are going to do it.

Grieco Brothers is renting the space. Basically, we are providing the heat, the lights, all of those kinds of things and so will be a built-in subsidy to anybody who is in this center.

THE FLOOR: Could you talk about some of the problems you have had in the licensing of the facilities?

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THE SPEAKER: Yes, for days. The licensing thing is really a tragedy because there are some things that can go wrong. I will give you an example. We made an application for a lead paint test a month ago. They were supposed to be here last Thursday. We called on Friday when they didn't show up, and nobody knew that we had made an application.

We called back on Monday or Tuesday, and they finally found the application. Somebody put in it somebody else's file, and that is where it sat. So they had never scheduled the examiner to come out even though they told us he was coming. He was scheduled to be there.

Fire regulations are a problem and the local building fire inspector is not really very knowledgeable about day care situations. He told us to do one thing, and when we were reading the code, we found out that their code is actually more stringent than OFC's.

As far as the local licensing person from the Department of Health--remember that the licensing is a local affair, and you are at the mercy of the political appointee who is mayor of the city of Lawrence--who may or may not care about day care or know anything about it.

Unfortunately, that kind of problem is very prevalent. We have this corporation, this private foundation money. We had a tax number, but we don't have the sign off from the IRS yet, so we couldn't use it to pay for the contractor right now because the Stevens Foundation, which has been very generous, can't write us a check.

THE FLOOR: Are you going to offer your day care workers the same benefits as the Grieco Brothers employees?

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THE SPEAKER: I would say probably not primarily because we have two different benefit packages at Grieco Brothers. One is a union package and the other is an administrator and supervisory package. I think we want to maintain that distinction regarding the center.

THE FLOOR: I have a couple of questions related to the after-school program. How will the children be transported back and forth to the center, and will there be either private or public transportation to get the children from the public school back to your center? And, two, you mentioned that you would serve children up to age six. Will the after-school program at some point serve children other than that?

THE SPEAKER: The first question had to do with transportation for the after-school program, and we are going to use some private transportation to start and pay for it; while we learn which schools the applicants for the center attend in Lawrence, and try to write a good contract for the transportation service.

We were going to, we first thought, use the company van, but, again, we want to maintain that separation. We could get it insured, but, again, the legal lines start to blur very, very quickly when you do something like that.

Second question, age. Where are we going with ages? We are going to go beyond six at some future time.

THE FLOOR: What about the collaboration with public schools in terms of transportation?

THE SPEAKER: We haven't worked that out yet, but the centers that work in Lawrence Community Day Care do have some collaboration.

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THE FLOOR: As a day care director, I would congratulate you on your efforts. I think the things you are doing are wonderful.

THE SPEAKER: Thank you very much.

THE FLOOR: Could you describe the space that is needed, and if you could just mention it in terms of the square foot per child, whether it's minimum or maximum level. You said basically it would be serving, at some point, a hundred children or so. I was just interested to know how the space was going to be used.

THE SPEAKER: The space is located on the first floor of our factory. We own a building of about 275 square feet very close to the Merrimack River. The space is on the first floor, and we have provided extra entrances to meet the fire regulations. It is in an area that is somewhat isolated from the main entrance to the factory, the loading platforms and trucks and that kind of traffic.

We have a play yard that we've created in front of the building in what was once the parking lot. It meets OFC regulations for so many square feet for so many children at any given time. The interior space is lovely. It's an old mill. The building dates from 1899.

We moved in 2 1/2 years ago. We have sandblasted the entire building inside, and we've sandblasted the space in the day care center. There are some classrooms, typical classrooms. We have a large motor skills area. In one corner, we have a window seat where the kids can sit on the seat and look out at the river and watch the fish and the ducks and the other stuff that inhabits the Merrimack River.

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Primarily, there are two large classrooms, one for the infants, the other for toddlers, and a basically large open space that will be divided with low partitions, four-foot walls, and have various pieces of furniture. There is a kitchen in the facility, diaper changing area near the restrooms. It's a bright space. It's a southern exposure on the river so that at this time of year, the thing is just flooded with sunlight. I think it is a little bit harsh because it's all red sandblasted brick, but once we get the paintings and doodlings and all the other things that inhabit a day care center, I think that the harshness will be mitigated.

Thank you very much.

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